

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 182** SLS 23RS 152

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 1, 2023	7:55 AM	Author: CONNICK
Dept./Agy.: Statewide		Analyst: Kimberly Fruge
Subject: Secondhand Dealers		

COMMERCIAL REGULATIONS

EN SEE FISC NOTE LF EX

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Increases penalties for violations relative to the purchase of junk or used or secondhand property. (8/1/23)

Proposed law increases the penalty for licensed secondhand dealers who violate the provisions of the secondhand dealers' statute or for unlicensed secondhand dealers from \$250-\$500 or 30-60 days imprisonment to \$2,500-\$5,000 or 30-60 days imprisonment. For a second offense, monetary penalties increase to \$2,500-\$5,000 as well, but imprisonment increases to a range of two to five years. For unlicensed secondhand dealers, proposed law increases the penalties for third or subsequent offense to \$5,000-\$10,000 or imprisonment for five to ten years.

Proposed law increases the penalty for licensed scrap metal recyclers who violate the provisions of the scrap metal recyclers' statute from \$1,000-\$10,000 to \$2,500-\$10,000. Proposed law increases the penalty of operating with a scrap metal recycler license from not less \$1,000 to between \$2,500-\$5,000.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There will be an increase in local expenditures to the extent a person is convicted of violating the provisions associated with the secondhand dealers' or scrap metal recyclers' license or acts as a secondhand dealer or scrap metal recycler without a license and is imprisoned with or without hard labor for between two to five years (second offense), or between five to ten years (third or subsequent offenses of not having a license). The expenditure increase will depend on the number of persons convicted, the minimum sentence an offender serves, and the cost per day for a local law enforcement agency to incarcerate an offender.

Given these are parish-wide permits, the LFO assumes offenders will be sentenced and housed at the local level. Local funds will increase by \$26.39 per day for offenders housed in a local facility. An offender sentenced to the custody of a local facility would increase expenditures by \$9,932.35 (\$26.39 per day x 365 days).

REVENUE EXPLANATION

Proposed law will likely result in an indeterminable increase in local revenues as a result of potential fines for violating the provisions associated with the secondhand dealers' or scrap metal recyclers license or acting as a secondhand dealer or scrap metal recycler without a license. For secondhand dealers, fines range from \$2,500 to \$5,000 for first and second offenses and from \$5,000 to \$10,000 for third or subsequent offenses. For scrap metal recyclers, fines range from \$2,500 to \$10,000 for violating the provision and \$2,500 to \$5,000 for acting as an unlicensed operator. The exact fiscal impact of the passage of this legislation on local revenue is indeterminable as it is unknown how often these fines are assessed. The potential revenue will accrue to the local governing authority.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer